

COMPANY NAME: DUKE ENERGY KENTUCKY, INC.
GAS COST ADJUSTMENT CLAUSE RATE CALCULATIONS
SUPPLEMENTAL MONTHLY REPORT

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	3.686
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	0.000
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.132
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.064)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA + BA	\$/MCF	<u>3.754</u>

GAS COST RECOVERY RATE EFFECTIVE DATES: February 2, 2016 THROUGH March 1, 2016

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	3.686

SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
SECOND PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
THIRD PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	<u>0.000</u>

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	0.040
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.369)
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.016
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.445
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>0.132</u>

BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	0.028
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.045)
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.043)
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.004)
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>(0.064)</u>

THIS MONTHLY REPORT FILED PURSUANT TO CASE NO. 2003-00386
OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED November 6, 2003

DATE FILED: January 12, 2016

BY: DON WATHEN

TITLE: DIRECTOR,
Rates & Regulatory Strategy - OH/KY

PURCHASED GAS ADJUSTMENT
COMPANY NAME: DUKE ENERGY KENTUCKY, INC.

SUPPLEMENTAL MONTHLY REPORT

EXPECTED GAS COST RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF
PROJECTED VOLUME FOR THE TWELVE MONTH PERIOD ENDED

February 2, 2016
November 30, 2016

		<u>\$</u>	
<u>DEMAND (FIXED) COSTS:</u>			
			3,031,317
			684,090
			1,223,775
			307,584
			911,370
			<u>108,239</u>
	TOTAL DEMAND COST:		<u>6,266,375</u>
	PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	10,594,811	MCF
DEMAND (FIXED) COMPONENT OF EGC RATE	\$6,266,375 /	10,594,811	\$0.591 /MCF
 <u>COMMODITY COSTS:</u>			
	Gas Marketers		\$2.253 /MCF
	Gas Storage		/MCF
	Columbia Gas Transmission		\$0.475 /MCF
	ANR		\$0.304
	Propane		<u>\$0.054 /MCF</u>
COMMODITY COMPONENT OF EGC RATE:			\$3.086
 <u>OTHER COSTS:</u>			
	Net Charge Off ⁽¹⁾	\$17,952 /	1,982,765
			\$0.009 /MCF
TOTAL EXPECTED GAS COST:			<u><u>\$3.686 /MCF</u></u>

⁽¹⁾ Net Charge Off amount from Case No. 2009-00202 WPD-2.15a.

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY, INC.**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : February 2, 2016



GAS COMMODITY RATE FOR FEBRUARY 2016:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$2.7124	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0380	\$2.7504	\$/Dth
DTH TO MCF CONVERSION	1.0555	\$0.1526	\$2.9030	\$/Mcf
ESTIMATED WEIGHTING FACTOR	77.600%		\$2.2527	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$2.253	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$3.3989	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$3.4142	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	1.885%	\$0.0644	\$3.4786	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0178	\$3.4964	\$/Dth
KO TRANS. COMMODITY RATE		\$0.0014	\$3.4978	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0490	\$3.5468	\$/Dth
DTH TO MCF CONVERSION	1.0555	\$0.1968	\$3.7436	\$/Mcf
ESTIMATED WEIGHTING FACTOR	12.700%		\$0.4754	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.475	\$/Mcf

GAS STORAGE

ANR - STORAGE INVENTORY RATE			\$3.0459	\$/Dth
ANR FSS WITHDRAWAL FEE		\$0.0118	\$3.0577	\$/Dth
ANR FTS FUEL	1.130%	\$0.0346	\$3.0923	\$/Dth
DTH TO MCF CONVERSION	1.0555	\$0.1716	\$3.2639	\$/Mcf
ESTIMATED WEIGHTING FACTOR	9.300%		\$0.3035	\$/Mcf
GAS STORAGE COMMODITY RATE - ANR			\$0.304	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.87023	\$/Gallon
GALLON TO MCF CONVERSION	15.38	\$12.5139	\$13.3841	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.4000%		\$0.0535	\$/Mcf
PROPANE COMMODITY RATE			\$0.054	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 1/08/2016 and contracted hedging prices.